

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: :  
W.R. GRACE & CO., et al. : Chapter 11  
Debtors. :  
: Case No. 01-01139 (JKF)  
: Jointly Administered  
: Objection Deadline: September 4, 2002 at 4:00 p.m.

**THIRTEENTH APPLICATION OF THE BLACKSTONE GROUP L.P.  
FOR COMPENSATION SERVICES RENDERED AND  
REIMBURSEMENT OF EXPENSES AS COUNSEL TO THE DEBTORS  
FOR THE PERIOD FROM THROUGH JUNE 1, 2002 THROUGH JUNE 30, 2002**

Name of Applicant:	THE BLACKSTONE GROUP L.P.	
Authorized to Provide Professional Services to:	Debtors	
Date of Retention Order:	June 22, 2001, effective April 2, 2001	
Period for which compensation and reimbursement is sought:	June 1, 2002 – June 30, 2002	
Amount of Compensation sought as actual, reasonable and necessary:	Total \$175,000.00	Less Holdback (@ 20%) \$35,000.00
Amount of Expense Reimbursement sought as actual, reasonable and necessary:	\$733.20	

This is a x monthly    interim    final application

The total time expended for fee application preparation is approximately 4 hours and the corresponding compensation requested is \$0.00.

If this is not the first application filed, disclose the following for each prior application:

<b>Date Filed</b>	<b>Period Covered</b>	<b>Requested</b>		<b>Approved</b>	
		<b>Fees</b>	<b>Expenses</b>	<b>Fees</b>	<b>Expenses</b>
July 31, 2001	April 2, 2001 - June 30, 2001	\$519,166.66	\$7,663.95	\$0.00	\$0.00
August 24, 2001	July 2001	\$175,000.00	\$3,504.53	\$0.00	\$0.00
October 15, 2001	August 2001	\$175,000.00	\$16,124.84	\$0.00	\$0.00
November 20, 2001	September 2001	\$175,000.00	\$11,846.09	\$0.00	\$0.00
November 29, 2001	October 2001	\$175,000.00	\$5,042.39	\$0.00	\$0.00
January 30, 2002	November 2001	\$175,000.00	\$7,477.10	\$0.00	\$0.00
January 30, 2002	December 2001	\$175,000.00	\$2,133.92	\$0.00	\$0.00
March 15, 2002	January 2002	\$175,000.00	\$5,140.26	\$0.00	\$0.00
April 5, 2002	February 2002	\$175,000.00	\$1,719.69	\$0.00	\$0.00
May 2, 2002	March 2002	\$175,000.00	\$631.92	\$0.00	\$0.00
July 24, 2002	April 2002	\$175,000.00	\$2,736.03	\$0.00	\$0.00
N/A	May 2002	\$175,000.00	\$516.61	\$0.00	\$0.00


  
**The Blackstone Group**

August 15, 2002

Mr. Paul J. Norris  
 Chairman, President and Chief Executive Officer  
 W.R. Grace & Co.  
 7500 Grace Drive  
 Columbia, Maryland 21044

Advisory fee for the period June 1, 2002 through June 30, 2002:	\$ 175,000.00
Less a 20% holdback pursuant to the Court's Administrative Order:	(35,000.00)
Out-of-pocket expenses for the period through June 30, 2002: <sup>1</sup>	
Travel - Local	90.00
Meals	43.18
Research	598.23
Communications	<u>1.79</u>
	<u>733.20</u>
<b>Total Due</b>	<b><u>\$ 140,733.20</u></b>

**Please wire transfer funds to:**

Chase Manhattan Bank  
 One New York Plaza  
 New York, NY 10017  
 ABA# 021 000 021  
 Credit Account: The Blackstone Group L.P.  
 Account # 066-287472

Invoice Number: 2873-T

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<sup>1</sup> Expenses incurred, but not yet processed due to timing differences will be billed at a later date.

**W.R. GRACE  
Expense Summary  
Processed Through  
June 30, 2002  
2873-T**

		GL Detail Jun-02	Total Expenses
Travel - Local	11222	\$ 90.00	<b>\$ 90.00</b>
Meals	11228	43.18	43.18
Research - Disclosure	11236	242.93	242.93
Research - Sec Data	11246	355.30	355.30
Federal Express	11270	1.79	1.79
<b>Total Expenses</b>		<b>\$ 733.20</b>	<b>\$ 733.20</b>
			90.00
		43.18	
		598.23	
		1.79	
			<b>\$ 733.20</b>

**W.R. GRACE  
Expense Detail  
Processed Through  
June 30, 2002  
2873-T**

**Travel - Local**

Blechman	05/22/02	6.00
Blechman	05/28/02	5.00
Blechman	05/30/02	5.00
Blechman	06/01/02	5.00
Blechman	06/01/02	6.00
Blechman	06/02/02	5.00
Blechman	06/02/02	6.00
Blechman	06/03/02	9.00
Blechman	06/03/03	8.00
Blechman	06/03/03	<u>35.00</u>
<b>Subtotal - Travel - Local</b>		<b>90.00</b>

**Meals**

Blechman	04/06/02	12.01
Blechman	05/02/02	20.00
Zilly	05/15/02	4.87
Zilly	05/28/02	<u>6.30</u>
<b>Subtotal - Meals</b>		<b>43.18</b>

**Disclosure**

Alexander	05/31/02	<u>242.93</u>
<b>Subtotal - Disclosure</b>		<b>242.93</b>

**Sec Data**

Alexander	06/11/02	<u>355.30</u>
<b>Subtotal - Sec Data</b>		<b>355.30</b>
<b>Subtotal - Research</b>		<b>598.23</b>

**Communications****Federal Express**

Blechman	05/13/02	<u>1.79</u>
<b>Subtotal - Communications</b>		<b>1.79</b>
<b>Total Expenses</b>		<b>\$ 733.20</b>

THE BLACKSTONE GROUP L.P.  
SUMMARY OF HOURS RE: W.R. GRACE AND COMPANY  
JUNE 1, 2002 - JUNE 30, 2002

Professional	Title	Hours
Pamela Zilly	Senior Managing Director	60.5
Richard Shinder	Managing Director	26.5
David Blechman	Associate	86.5
Michael Alexander	Analyst	<u>63.0</u>
	Total	<u><u>236.5</u></u>

THE BLACKSTONE GROUP L.P.  
HOURLY DETAIL FOR THE PERIOD OF  
JUNE 1, 2002 - JUNE 30, 2002

Professional	Date	Hours	Category	Explanation
Pamela Zilly	06/01/02	2.0	Valuation	Reviewed and make comments on analysis and presentation for 06/03/02 meeting
Pamela Zilly	06/01/02	1.0	Valuation	Provided comments on analysis to D. Blechman, and R. Shinder
Pamela Zilly	06/02/02	1.0	Valuation	Calls with R. Shinder re: analysis revisions
Pamela Zilly	06/02/02	1.5	Business Analysis	Reviewed presentation for final edits
Pamela Zilly	06/02/02	0.5	Non-Working Travel Time	Read correspondence between J. Kapp, and M. Shehzad re: Japanese sublease transaction, and filing requirements
Pamela Zilly	06/03/02	2.5	Plan/Disclosure Statement/Voting Issues	Traveled with P. Norris, B. Tarola, D. Siegel, E. Filon, and S. Farnsworth re: POR, and valuation issues
Pamela Zilly	06/03/02	6.0	Non-Working Travel Time	Traveling to New York
Pamela Zilly	06/03/02	2.5	Employee Matters	Reviewed revised draft of employee compensation motion
Pamela Zilly	06/04/02	1.0	Business Analysis	Meeting with J. Kapp, and M. Shenzad re: Japanese sublease
Pamela Zilly	06/04/02	0.5	Employee Matters	Discussion with J. Kapp, and M. Shenzad re: Japanese sublease
Pamela Zilly	06/05/02	1.0	Plan/Disclosure Statement/Voting Issues	Reviewed and provided comments on latest draft of employee compensation motion
Pamela Zilly	06/05/02	1.0	Employee Matters	Meeting with D. Blechman, and M. Alexander re: POR model structure and inputs
Pamela Zilly	06/06/02	0.5	Business Analysis	Read materials from S. Allem re: Japanese sublease
Pamela Zilly	06/07/02	0.5	Employee Matters	Read latest draft of employee compensation motion
Pamela Zilly	06/07/02	1.0	Plan/Disclosure Statement/Voting Issues	Meeting with S. Shimader, D. Blechman, and M. Alexander re: POR analyses
Pamela Zilly	06/08/02	1.0	Plan/Disclosure Statement/Voting Issues	Outline tax, COLI, legacy liabilities, and other issues required to analyze POR alternatives
Pamela Zilly	06/10/02	0.5	Employee Matters	Reviewed final employee compensation motion, and distributed to Committee's advisors
Pamela Zilly	06/11/02	1.0	Plan/Disclosure Statement/Voting Issues	Reviewed data and assumptions required for POR analysis
Pamela Zilly	06/11/02	1.0	Employee Matters	Discussion with D. Blechman re: POR scenarios, inputs, including projections, estimated liabilities, etc.
Pamela Zilly	06/11/02	1.5	Plan/Disclosure Statement/Voting Issues	Meeting with S. Shimader, D. Blechman, and M. Alexander re: same
Pamela Zilly	06/11/02	1.0	Plan/Disclosure Statement/Voting Issues	Call with Norris, Siegel, and Tarola re: POR issues
Pamela Zilly	06/13/02	0.5	Employee Matters	Reviewed Blackstone memo re: further information required for analysis, and discussion with D. Blechman, and M. Alexander re: same
Pamela Zilly	06/13/02	1.0	Plan/Disclosure Statement/Voting Issues	Conversation with G. Boyer re: filing of employee compensation motion on 06/17/02
Pamela Zilly	06/13/02	1.0	Employee Matters	Reviewed draft POR model and list of assumptions
Pamela Zilly	06/14/02	0.5	Business Analysis	Read April operating report
Pamela Zilly	06/14/02	0.5	Case Administration	Call with B. Tarola re: redact
Pamela Zilly	06/14/02	0.5	Employee Matters	Read revised draft of employee compensation motion
Pamela Zilly	06/14/02	1.0	Case Administration	Read 1st Official Committee of Asbestos Property Damage Claimants response ...Retain Special Counsel...Zomolite Attic Insulation Proofs of Claim"
Pamela Zilly	06/14/02	0.5	Employee Matters	Phone calls to S. Cunningham, and G. Boyer re: Committee's response to employee compensation motion
Pamela Zilly	06/14/02	1.0	Plan/Disclosure Statement/Voting Issues	Call with R. Shinder, D. Blechman re: draft POR model
Pamela Zilly	06/17/02	1.5	Employee Matters	Phone calls to S. Cunningham, and G. Boyer re: revisions to compensation motion at the request of the Usrs. Creditors Committee
Pamela Zilly	06/17/02	1.0	Asset Dispositions, Sales, Uses and Leases	Various correspondence with J. McFarland re: GBT transaction
Pamela Zilly	06/17/02	3.0	Plan/Disclosure Statement/Voting Issues	Reviewed draft POR model and list of additional data and assumptions
Pamela Zilly	06/17/02	0.5	Tax/General	Reviewed correspondence between E. Filon, and J. Kapp re: tax audit, and IRS issues
Pamela Zilly	06/18/02	0.5	Plan/Disclosure Statement/Voting Issues	Read correspondence with R. Shinder re: model
Pamela Zilly	06/18/02	1.0	Employee Matters	Discussion with R. Shinder re: model
Pamela Zilly	06/18/02	0.5	Tax Audit/Litigation	Reviewed draft POR model
Pamela Zilly	06/18/02	0.5	Case Administration	Call with B. McGowan re: filed employee compensation motion, and next steps
Pamela Zilly	06/18/02	0.5	Employee Matters	Read correspondence between J. Kapp, and E. Filon re: tax audit issues
Pamela Zilly	06/18/02	1.0	Plan/Disclosure Statement/Voting Issues	Correspondence with J. McFarland re: Biased motion
Pamela Zilly	06/18/02	0.5	Asset Dispositions, Sales, Uses and Leases	Call with D. Blechman re: valuation issues analysis
Pamela Zilly	06/19/02	1.5	Plan/Disclosure Statement/Voting Issues	Reviewed draft POR model and list of assumptions; and discussion with D. Blechman re: same
Pamela Zilly	06/19/02	1.0	Employee Matters	Reviewed responses to fee auditor issues
Pamela Zilly	06/19/02	0.5	Tax Audit/Litigation	Read correspondence related to IRS issue between E. Filon, and R. Higgins
Pamela Zilly	06/19/02	1.0	Case Administration	Read correspondence related to IRS audit issue between E. Filon, and R. Higgins, and provided response
Pamela Zilly	06/19/02	0.5	Valuation	Prepared response to fee auditor issues
Pamela Zilly	06/21/02	1.5	Plan/Disclosure Statement/Voting Issues	Meeting with D. Blechman, and R. Shinder re: POR analysis
Pamela Zilly	06/24/02	1.5	Plan/Disclosure Statement/Voting Issues	Prepared letter, discussion with J. McFarland, and correspondence with Committee's advisors re: GBT transaction
Pamela Zilly	06/24/02	1.0	Asset Dispositions, Sales, Uses and Leases	Discussion with M. Shehzad, F. Gilbert, M. Hunter, and J. McFarland re: Project Neptune
Pamela Zilly	06/25/02	1.5	Plan/Disclosure Statement/Voting Issues	Prepared responses to fee auditor issues
Pamela Zilly	06/25/02	1.0	Compensation of Professionals	Read Orders on Case Management Order of PII Claims, Denying Plaintiffs' Motion to Strike Proofs of Claim, etc.
Pamela Zilly	06/25/02	0.5	Tax Audit/Litigation	Read correspondence related to IRS issue between E. Filon, and R. Higgins
Pamela Zilly	06/26/02	1.0	Compensation of Professionals	Prepared response to fee auditor issues
Pamela Zilly	06/26/02	3.0	Plan/Disclosure Statement/Voting Issues	Meeting with D. Blechman, and M. Alexander re: draft model and inputs
Pamela Zilly	06/26/02	1.0	Case Administration	Read Orders on Case Management Order of PII Claims, Denying Plaintiffs' Motion to Strike Proofs of Claim, etc.
Pamela Zilly	06/26/02	1.0		

THE BLACKSTONE GROUP L.P.  
HOURLY DETAIL FOR THE PERIOD OF  
JUNE 1, 2002 - JUNE 30, 2002

Professional	Date	Hours	Category	Explanation
Pamela Zilly	06/28/02	1.0	Case Administration	Read "W.R. Grace's Supplemental Brief.... Procedures for the Litigation ....Issues"

60.5

THE BLACKSTONE GROUP L.P.  
 HOURLY DETAIL FOR THE PERIOD OF  
 JUNE 1, 2002 - JUNE 30, 2002

Professional	Date	Hours	Category	Explanation
Richard Shinder	06/01/02	2.0	Valuation	Checked analysis in 06/01/02 materials
Richard Shinder	06/02/02	1.0	Valuation	Call with P. Zilly re: backup to certain of the analyses
Richard Shinder	06/03/02	2.5	Non-Working Travel Time	Travel to Columbia, Maryland
Richard Shinder	06/03/02	6.0	Plan/Disclosure Statement/Voting Issues	Meeting with P. Morris, B. Tardia, E. Filion et al re: valuation considerations, POR issues
Richard Shinder	06/03/02	2.5	Non-Working Travel Time	Traveled to New York
Richard Shinder	06/07/02	1.0	Plan/Disclosure Statement/Voting Issues	Discussion with P. Zilly, D. Blechman, and M. Alexander re: POR analysis
Richard Shinder	06/14/02	1.0	Business Analysis	Call with P. Zilly, and D. Blechman re: draft POR model
Richard Shinder	06/17/02	7.0	Business Analysis	Strategy Plan meeting with Grace Leadership team, and D. Blechman re: review of businesses
Richard Shinder	06/18/02	2.0	Business Analysis	Reviewed draft POR model
Richard Shinder	06/19/02	0.5	Business Analysis	Discussion with P. Zilly re: draft POR model
Richard Shinder	06/24/02	1.0	Plan/Disclosure Statement/Voting Issues	Meeting with P. Zilly, and D. Blechman re: POR analysis
		<u>26.5</u>		

THE BLACKSTONE GROUP L.P.  
HOURLY DETAIL FOR THE PERIOD OF  
JUNE 1, 2002 - JUNE 30, 2002

Professional	Date	Hours	Category	Explanation
David Blechman	06/01/02	3.5	Valuation	Prepared materials for 06/03/02 meeting with Grace Leadership team re: POR, and valuation considerations ("06/03/02 meeting")
David Blechman	06/02/02	4.5	Valuation	Prepared materials for 06/03/02 meeting; reviewed with M. Alexander
David Blechman	06/02/02	1.5	Valuation	Traveled to/from Columbia, MD; reviewed materials for meeting, and discussed follow-up analysis
David Blechman	06/03/02	6.0	Employee Matters	Reviewed employee compensation motion, and specifically severance terms
David Blechman	06/05/02	0.5	Plan/Disclosure Statement/Voting Issues	Meetings w/ P. Zilly, and M. Alexander re: POR model (financial model that provides flexibility to analyze multiple restructuring scenarios)
David Blechman	06/05/02	1.0	Plan/Disclosure Statement/Voting Issues	Prepared summary of assumptions re: POR model
David Blechman	06/05/02	1.5	Plan/Disclosure Statement/Voting Issues	Prepared materials to summarize official committee responses to employee compensation programs
David Blechman	06/06/02	1.5	Employee Matters	Call with P. Zilly, and McCowan et al. re: employee compensation motion; provide comments
David Blechman	06/06/02	1.0	Employee Matters	Reviewed revised employee compensation motion
David Blechman	06/06/02	0.5	Employee Matters	Reviewed draft valuation material
David Blechman	06/07/02	1.5	Valuation	Reviewed POR model assumptions including operating assumptions, cash flow, legacy liabilities
David Blechman	06/07/02	1.0	Plan/Disclosure Statement/Voting Issues	Meetings with M. Alexander, R. Shinder, and P. Zilly re: model assumptions
David Blechman	06/07/02	1.0	Plan/Disclosure Statement/Voting Issues	Reviewed revised draft valuation materials
David Blechman	06/10/02	0.5	Valuation	Reviewed draft restructuring scenarios, and prepared analyses re: same
David Blechman	06/10/02	5.0	Plan/Disclosure Statement/Voting Issues	Prepared summary of draft restructuring scenarios, additional inputs required to do analysis need info, and discussion with M.. Alexander
David Blechman	06/11/02	1.5	Plan/Disclosure Statement/Voting Issues	Call with P. Zilly, P. Norik, and B. Tarola re: Plan of Reorganization issues
David Blechman	06/11/02	1.0	Plan/Disclosure Statement/Voting Issues	Call with P. Zilly re: employee compensation motion, hearing, and further information required for motion
David Blechman	06/11/02	0.5	Employee Matters	Meeting with P. Zilly re: same
David Blechman	06/12/02	1.0	Employee Matters	Meeting with P. Zilly re: same
David Blechman	06/12/02	0.5	Compensation of Professionals	Prepared fee application
David Blechman	06/13/02	3.0	Plan/Disclosure Statement/Voting Issues	Revised draft POR model; liability funding assumptions
David Blechman	06/14/02	3.0	Plan/Disclosure Statement/Voting Issues	Revised draft POR model including discussions with P. Zilly, R. Shinder
David Blechman	06/16/02	2.5	Plan/Disclosure Statement/Voting Issues	Prepared draft memo; status of POR model
David Blechman	06/17/02	8.0	Business Analysis	Participated in Grace Strategy Plan Meeting via web cast conf call
David Blechman	06/17/02	3.0	Plan/Disclosure Statement/Voting Issues	Prepared draft POR model memo
David Blechman	06/18/02	1.0	Plan/Disclosure Statement/Voting Issues	Prepared for meetings in Columbia, MD re: POR analysis
David Blechman	06/18/02	2.5	Non-Working Travel Time	Travelled to Columbia, MD
David Blechman	06/18/02	4.0	Plan/Disclosure Statement/Voting Issues	Meetings with B. Tarola, and revised draft of POR model to incorporate comments
David Blechman	06/18/02	0.5	Plan/Disclosure Statement/Voting Issues	Call with P. Zilly re: POR analysis
David Blechman	06/19/02	6.0	Business Analysis	Attended Strategic Plan business meetings with Grace leadership team and management
David Blechman	06/19/02	2.0	Plan/Disclosure Statement/Voting Issues	Meetings with B. Tarola, and made further revisions to draft POR model
David Blechman	06/20/02	8.0	Business Analysis	Participated in Strategic Plan business meetings via web cast
David Blechman	06/20/02	0.5	Compensation of Professionals	Reviewed fee auditor report
David Blechman	06/24/02	1.0	Compensation of Professionals	Reviewed fee auditor response
David Blechman	06/24/02	1.0	Plan/Disclosure Statement/Voting Issues	Meetings with M. Alexander, R. Shinder, and P. Zilly re: status of POR analysis
David Blechman	06/26/02	3.5	Plan/Disclosure Statement/Voting Issues	Prepared memo to B. Tarola, Siegel summarizing status of POR analysis
David Blechman	06/27/02	2.0	Plan/Disclosure Statement/Voting Issues	Reviewed draft memo re: analysis issues
				<b>\$6.5</b>

THE BLACKSTONE GROUP L.P.  
 HOURLY DETAIL FOR THE PERIOD OF  
 JUNE 1, 2002 - JUNE 30, 2002

Professional	Date	Hours	Category	Explanation
Michael Alexander	06/01/02	6.5	Valuation	Revised analysis and presentation for 06/03/02 meeting
Michael Alexander	06/02/02	4.5	Valuation	Prepared materials for 06/03/02 meeting; reviewed with D. Blechman
Michael Alexander	06/03/02	5.0	Non-Working Travel Time	Travelled to/from Columbia, MD
Michael Alexander	06/03/02	6.0	Plan/Disclosure Statement/Voting Issues	Meeting with P. Morris, B. Farola, D. Siegel, E. Flora, and S. Farnsworth re: POR, and valuation issues
Michael Alexander	06/05/02	0.5	Employee Matters	Reviewed employee compensation motion, and specifically severance terms
Michael Alexander	06/05/02	1.0	Plan/Disclosure Statement/Voting Issues	Meetings with P. Zilly, and D. Blechman re: POR model
Michael Alexander	06/05/02	1.5	Plan/Disclosure Statement/Voting Issues	Reviewed summary of assumptions re: POR model; and discussed with D. Blechman
Michael Alexander	06/06/02	0.5	Employee Matters	Reviewed revised motion
Michael Alexander	06/07/02	3.0	Valuation	Updated valuation materials
Michael Alexander	06/07/02	1.5	Valuation	Reviewed draft valuation materials
Michael Alexander	06/07/02	1.0	Plan/Disclosure Statement/Voting Issues	Reviewed model assumptions; create claims analysis pages
Michael Alexander	06/07/02	1.0	Plan/Disclosure Statement/Voting Issues	Meetings with D. Blechman, R. Shinder, P. Zilly re: model assumptions
Michael Alexander	06/10/02	0.5	Valuation	Reviewed revised draft valuation materials
Michael Alexander	06/10/02	7.5	Plan/Disclosure Statement/Voting Issues	Created financial model, and linked it with POR restructuring scenarios
Michael Alexander	06/10/02	2.0	Plan/Disclosure Statement/Voting Issues	Reviewed restructuring scenarios, and prepared analyses re: same
Michael Alexander	06/11/02	1.5	Plan/Disclosure Statement/Voting Issues	Discussed additional scenarios / inputs with D. Blechman
Michael Alexander	06/13/02	6.0	Plan/Disclosure Statement/Voting Issues	Revised draft POR model
Michael Alexander	06/17/02	3.0	Plan/Disclosure Statement/Voting Issues	Review draft POR model memo
Michael Alexander	06/24/02	1.0	Plan/Disclosure Statement/Voting Issues	Discussed draft POR model with D. Blechman
Michael Alexander	06/26/02	4.5	Plan/Disclosure Statement/Voting Issues	Tested alternative POR model scenarios
Michael Alexander	06/27/02	5.0	Plan/Disclosure Statement/Voting Issues	Tested alternative POR model scenarios
				63.0